Item #2 November 28, 2012

From: William Logan [mailto:wlogan@itmlaw.com]

Sent: Tuesday, November 27, 2012 11:22 AM

To: Wayne, Jonathan

Subject: Proposed Statute changes

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Jonathan:

Here are some of my thoughts on the proposed changes to the election statutes:

With respect to the proposed changes to the filing schedule for candidates, PACs and Committees I would note the following:

- 1. I would make it clear that the salaries of employees are included in the exceptions to expenditures that are not required to be reported on a 24 hour basis. I would classify these expenses as overhead and fail to see how any public interest is advanced by reporting these expenses on a 24 hour basis. I will also note that any payroll expenses that are for direct candidate support are already required to be disclosed under the IE reporting schedule.
- 2. I remain skeptical of the real benefit in disclosing contributions received in the last two weeks prior to election day and personally would prefer that this provision not be included. However, if the Commission determines that the provision should be added, I strongly urge the Commission to delete the "aggregating" language. There are several reasons for this. First, most treasurers work on a volunteer basis. The last two weeks before the election is an exceptionally busy time. Requiring treasurers to check every contribution received, regardless of amount, against past contributions in order to determine whether the "aggregate threshold has been reached would place an undue burden on treasurers for very little public benefit. Second, the aggregating language can lead to absurd results, consider the following examples:

EXAMPLE ONE: I give the ABC PAC \$4,800 on April 1st. I then give the ABC PAC another \$300 on October 29th. The ABC PAC is required to file a 24 hour report of the \$300 contribution.

EXAMPLE TWO: I give the ABC PAC \$100 on April 1st. I give another \$4,800 on October 29th. No report is required.

Therefore, I believe the simpler and more beneficial method for reporting would be to set a limit (such as the \$5000 limit in the proposal) and report any contributions of that amount or greater received in the last two weeks.

Since the purpose of the proposed 24 hour reporting of contributions is public disclosure of who is "dumping money" into elections at the last minute, I suggest that the aggregating language is unnecessary, contrary to the purpose of the disclosure, and

unduly burdensome on treasurers. If the Commission feels that there should be disclosure of large contributions received in the 14 days prior to the election, I would strongly encourage that the disclosure be limited to contributions of \$5000 or more received in that period.

With respect to the electronic filing of IE reports, I wholeheartedly support electronic filing as it is easier on both filers and commission staff.

Unfortunately, I will be unable to attend the next Commission meeting tomorrow to expand on these issues or answers any questions the Commission may have. Feel free to give me a call if you have any questions about the foregoing comments or wish to have any clarification on any points.

Regards, Bill

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